

would permit the annual interest fee paid by Participating Securities SBICs to increase from 1.0 percent to no more than 1.28 percent. In addition, the bill would make three technical changes to the Small Business Investment Act of 1958, '58 Act, that are intended to make improvements in the day-to-day operation of the SBIC program.

Projected demand for the Participating Securities SBIC program for FY 2002 is \$3.5 billion, a significant increase over the FY 2001 program level of \$2.5 billion. It is imperative that Congress approve this relatively small increase in the annual interest charge paid by the Participating Securities SBICs before the end of the fiscal year. This fee increase, when combined with an appropriation of \$26.2 million for FY 2002, the same amount Congress approved for FY 2001, will support a program level of \$3.5 million.

The "Small Business Investment Company Amendments Act of 2001" would also make some relatively technical changes to the '58 Act that are drafted to improve the operations of the SBIC program. Section 3 would remove the requirement that the SBA take out local advertisements when it seeks to determine if a conflict of interest exists involving an SBIC. This section has been recommended by the SBA, that has informed me that it has never received a response to a local advertisement and believes the requirement is unnecessary.

The bill would amend Title 12 and Title 18 of the United States Code to insure that false statements made to the SBA under the SBIC program would have the same penalty as making false statements to an SBIC. This section would make it clear that a false statement to SBA or to an SBIC for the purpose of influencing their respective actions taken under the '58 Act would be a criminal violation. The courts could then assess civil and criminal penalties for such violations.

Section 5 of the bill would amend Section 313 of the '58 Act to permit the SBA to remove or suspend key management officials of an SBIC when they have willfully and knowingly committed a substantial violation of the '58 Act, any regulation issued by the SBA under the Act, a cease-and-desist order that has become final, or committed or engaged in any act, omission or practice that constitutes a substantial breach of a fiduciary duty of that person as a management official.

The amendment expands the definition of persons covered by Section 313 to be "management officials," which includes officers, directors, general partners, managers, employees, agents of other participants in the management or conduct of the SBIC. At the time Section 313 of the '58 Act was enacted in November 1966, an SBIC was organized as a corporation. Since that time, SBIC has been organized as partnerships and Limited Liability Companies (LLCs), and this amendment would take into account those organizations.

Mr. President, I ask unanimous consent that section-by-section summary be printed in the RECORD.

There being no objection, the summary ordered to be printed in the RECORD, as follows:

SMALL BUSINESS INVESTMENT COMPANY AMENDMENTS ACT OF 2001—SECTION-BY-SECTION SUMMARY

Section 1. Short title

This Act will be called the "Small Business Investment Company Amendments Act of 2001."

Section 2. Subsidy fees

This section amends the Small Business Investment Act of 1958 to permit the SBA to collect an annual interest fee from SBICs in an amount not to exceed 1.28 percent of the outstanding Participating Security and Debt balance. In no case will the SBA be permitted to charge an interest fee that would reduce the credit subsidy rate to less than 0 percent, when combined with other fees and congressional appropriations. This section would take effect on October 1, 2001.

Section 3. Conflicts of interest

This change would remove the requirement that SBA run local advertisements when it seeks to determine if a conflict of interest is present. SBA has informed me that it has never received a response to a local advertisement and believes the requirement is unnecessary. SBA would continue to publish these notices in the Federal Register. This section would not prohibit the SBA from running local advertisements should it believe it is necessary. It is supported by the SBA.

Section 4. Penalties for false statements

This section would amend Title 12 and Title 18 of the United States Code to insure that false statements made to SBA under the SBIC program would have the same penalty as making false statements to an SBIC. The section would make it clear that a false statement to SBA or to an SBIC for the purpose of influencing their respective actions taken under the Small Business Investment Act of 1958 would be a criminal violation. The courts could then assess civil and criminal penalties for such violations.

Section 5. Removal or suspension of management officials

This section would amend Section 313 of the Small Business Investment Act of 1958 to expand the list of persons who could be removed or suspended by the SBA from the management of an SBIC to include officers, directors, employees, agents, or other participants of an SBIC. The persons subject to this section are called "Management Officials," a new term added by this amendment. The amendment does not change the legal or practical effect of the provisions of Section 313; however, it has been drafted to make its provisions easier to follow.

Sections 3, 4, and 5 would take effect on enactment of the Act.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 136—TO AUTHORIZE TESTIMONY DOCUMENT PRODUCTION AND LEGAL REPRESENTATION IN STATE OF CONNECTICUT V. KENNETH J. LAFONTAINE, JR.

Mr. DASCHLE (for himself and Mr. LOTT) submitted the following resolution; which was considered and agreed to:

S. RES. 136

Whereas, in the case of State of Connecticut v. Kenneth J. LaFontaine Jr., No. 01-29206, pending in Connecticut Superior Court in the City of Hartford, testimony and document production have been requested from James O'Connell, an employee in the office of Senator Lieberman;

Whereas, pursuant to sections 703(a) and 704(a)(2) of the Ethics in Government Act of 1978, 2 U.S.C. §§288b(a) and 288c(a)(2), the Senate may direct its counsel to represent Members and employees of the Senate with respect to any subpoena, order, or request for testimony relating to their official responsibilities;

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate may, by the judicial or administrative process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that evidence under the control or in the possession of the Senate may promote the administration of justice, the Senate will take such action as will promote the ends of justice consistently with the privileges of the Senate: Now, therefore, be it

Resolved, That James O'Connell and any other employee of the Senate from whom testimony or document production may be required are authorized to testify and produce documents in the case of State of Connecticut v. Kenneth J. LaFontaine Jr., except concerning matters for which a privilege should be asserted.

SEC. 2. The Senate Legal Counsel is authorized to represent James O'Connell and any Member or employee of the Senate in connection with the testimony and document production authorize in section one of this resolution.

AMENDMENTS SUBMITTED AND PROPOSED

SA 1010. Ms. LANDRIEU submitted an amendment intended to be proposed by her to the bill H.R. 2311, making appropriations for energy and water development for the fiscal year ending September 30, 2002, and for other purposes; which was ordered to lie on the table.

SA 1011. Mr. HARKIN submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1012. Mr. SMITH, of Oregon submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1013. Mr. BOND (for himself, Mrs. CARNAHAN, Mr. GRASSLEY, and Mr. HARKIN) proposed an amendment to the bill H.R. 2311, supra.

SA 1014. Ms. COLLINS submitted an amendment intended to be proposed by her to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1015. Mr. CRAIG (for himself and Mr. MURKOWSKI) submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1016. Mr. CRAIG (for himself and Mr. CRAPO) submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1017. Mr. CRAIG submitted an amendment intended to be proposed by him to the bill H.R. 2311, supra; which was ordered to lie on the table.

SA 1018. Mr. MURKOWSKI proposed an amendment to the bill H.R. 2311, supra.